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Japan

Fishery Products

Japanese Imports of Snow and King Crab

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Report Highlights:

Japan's imports of U.S. crabs (snow and king) in 1999 reached 16,292, a drop of 16%, due to reductions in the U.S. crab quota coupled with strong U.S. domestic demand. However, due to the reduced U.S. supplies, import value (CIF) increased about 20% to \$140 million, the highest level since 1996. During 2000, Japan's imports of U.S. snow crab are forecast to drop further due to a deep cut in the fishery quota. Despite Russian's leading 60% import market share, rapid depletion of the crab resource due to reported illegal fishing raises questions about the sustainability of Russia's harvest in the coming years.

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TABLE OF CONTENTS

Japanese Crab Imports from U.S. in 1999 Down 16% and Further Reduction Forecast for 2000 Mainly Due to Cuts in U.S. Fishery Quotas for Crabs and Strong U.S. Demand	1
Summary	1
Snow Crab Summary	1
King Crab Summary	2
Japanese Crab Imports - All Crabs	3
Japanese Crab Imports - Frozen	4
Japanese Crab Imports - Live & Fresh Chilled	5

Japanese Crab Imports from U.S. in 1999 Down 16% and Further Reductions Forecast in 2000 Mainly Due to Reduced U.S. Fishery Quotas for Crabs and Strong U.S. Demand

Summary

Imports account for an estimated 70% of the total crab supply in Japan. During 1999, Japan's total imports of crabs (live fresh/chilled and frozen combined) reached about the same level as the previous year at 123,478 MT (see table below). Increased imports from Russia and Canada were offset by reduced supplies from the United States, particularly snow crab (frozen) and king crab (frozen), major export items from Bristol Bay.

Japan's U.S. crab imports in 1999, totaling 16,292 MT, fell 16% compared to the previous year due to the reduced crab fishery quota level and excellent U.S. domestic demand for crabs coupled with rising prices. However, due to the reduced U.S. supplies, import value (CIF) increased about 20% to \$140 million, the highest level since 1996. Japan's imports of both species (snow and king) in 2000 will be affected by cuts in U.S. crab fishery quotas due to resource conservation efforts and a delayed opening of the fishery season (i.e., April 2000) due to ice pack problems in Bristol Bay. Snow crab and king crab comprised about 95% of all U.S. crab exports to Japan.

Russian crabs, mostly king and snow, held a dominant 61% market share of Japan's imports in 1999, with volume reaching 74,786 MT, up 5% over the previous year. In Western Kamchatka Bay (major snow and king crab fishery areas for Russia), the control of illegal fishing has reportedly been tightened since early this year. Illegal fishing of crabs in Western Kamchatka is reported to be deteriorating the resource at an alarming rate in recent years. As evidence of the illegal fishing levels, the import volume from Russia last year was far in excess of the fishery quota set for the season by Russian government, according to news source.

Snow Crab Summary

Snow crab (including opilio) is the most popular crab species in Japan. The crab is mainly served in drinking pubs and speciality restaurant chains for the seasonal hot pot dishes. In 1999, Japan imported 42,634 MT (up 1%) of frozen snow crab and 20,298 MT (up 6%) of live and fresh chilled snow crab. Canada, the United States, and Russia are the three major suppliers of frozen snow crab to Japan (see table below). For live and fresh chilled snow crabs, Russia is the dominant supplier while the rest was sourced from North Korea. Like frozen crabs, almost the entire volume of live and fresh chilled Russian snow crab arrives at ports in Hokkaido for re-shipping to major consumer markets in Japan.

Snow crab (frozen) accounted for 85% of the total tonnage of U.S. crabs entering Japan in 1999. Reduced snow crab shipments from the United States in 1999 is attributable to the reduced fishery quota, rising domestic demand for crabs in the United States, and rising prices. The recent announcement to delay the opening of the fishing season in Bristol Bay until April 2000 will impact U.S. snow crab shipments to Japan this year depending on the timing of Canadian fishery season starts in Newfoundland area (reported to be in late March). Although U.S. snow crab is known to have higher quality in the market, lower prices of Russian frozen snow crab reportedly attracted Japanese purchases in 1999 to meet value-conscious consumer demand.

1999 Snow Crab Imports By Volume and Share

Frozen Snow Crab

	Import Volume	Share
Canada	16,218 MT (up 9%)	38%
U.S.	13,859 MT (down 14%)	33%
Russia	10,330 MT (up 12%)	24%

Live and Fresh Chilled Snow Crab

	Import Volume	Share
Russia	16,601 MT (up 6%)	82%
North Korea	3,431 MT (up 46%)	17%

Source: World Trade Atlas

During 2000, Japan's imports of U.S. snow crab will drop substantially due to a deep cut in the fishery quota (announced to be 12,928 MT). Last year's quota was 102,472 MT. Industry sources estimate that Japan's U.S. snow crab imports will likely be 1/3 the previous year's level at around 4,000 MT. Coupled with the product volume constraints, rising offer prices are an additional disincentive factor for purchases by Japanese buyers when the consumer market, which had been hit by the long recession, is not on the recovery track yet. FOB prices quoted during last year's season was \$2.75 - 2.80 per pound. This year, before the fishery season starts, \$5 per pound prices were reported. Thus, more Japanese buyers are expected to turn to Russian and North Korean supplies for snow crab in 2000, assuming fishing controls are not tightened. Recently, illegal fishery control in the area has been affected by satellite use by officials.

King Crab Summary

Japan imported 24,760 MT (up 5%) of frozen king crab and 20,698 MT (up 8%) of live and fresh chilled king crab from the world. Russia commanded an import market share of 90% for frozen and almost 100% for live and fresh chilled. From the United States a total 1,093 MT of king crab (all most all frozen) was imported in 1999, down 25% from the previous year. The decline, analogous to snow crab, was attributable to reduced crab fishery quota in Bristol Bay, Alaska and solid consumption in U.S. domestic markets.

The king crab trade outlook for 2000 is dismal, with catches of king crab in Western Kamchatka (Russia) during this year's early season reportedly down 30% compared to the previous year. Imports of U.S. Bristol Bay king crab is uncertain as Japan's imports of king crab in 2000 will likely be affected by U.S. domestic demand and the price. Offer prices for Bristol king crab have reportedly come down, but still said to be quoted more than \$10 dollars per pound, about \$2 higher than the prevailing market average.

Japanese Crab Imports - All Crabs

Table 4.1-A Japanese Crab Imports Historic Series
Commodity: All Crabs, Live & Fresh Chilled & Frozen Combined
Volume: Metric ton - Product Weight Basis
Period: 1997-1999

Country of Origin	1997	1998	%Chg	1999	%Chg
United States	13,602	19,306	41.9%	16,292	-15.6%
Canada	20,193	14,940	-26.0%	16,308	9.2%
China	6,460	7,325	13.4%	5,329	-27.3%
Russian Fed.	74,903	71,176	-5.0%	74,786	5.1%
Others	8,848	10,663	20.5%	10,763	0.9%
All Crab Total	124,007	123,411	-0.5%	123,478	0.1%
Commodity: All Crabs, Live & Fresh Chilled & Frozen Combined					
Shares: Percent					
Country of Origin	1997	1998		1999	
United States	11%	16%		13%	
Canada	16%	12%		13%	
China	5%	6%		4%	
Russian Fed.	60%	58%		61%	
Others	7%	9%		9%	
All Crab Total	100%	100%		100%	
Source: World Trade Atlas					

Japanese Crab Imports - Frozen

Commodity: HS 0306.14: Frozen Crabs					
Volume: Metric Ton					
Country of Origin	1997	1998	%Chg	1999	%Chg
United States	13,433	18,968	41.2%	16,099	-15.1%
Canada	20,189	14,931	-26.0%	16,292	9.1%
China	4,951	6,313	27.5%	4,511	-28.6%
Russian Fed.	34,736	29,973	-13.7%	32,523	8.5%
Others	5,723	6,910	20.7%	6,059	-12.3%
Frozen Total	79,033	77,094	-2.5%	75,483	-2.1%
Commodity: HS 0306.14: Frozen Crabs					
Volume Shares: Percent					
Country of Origin	1997	1998		1999	
United States	17%	25%		21%	
Canada	26%	19%		22%	
China	6%	8%		6%	
Russian Fed.	44%	39%		43%	
Others	7%	9%		8%	
Frozen Total	100%	100%		100%	
Source: World Trade Atlas					

Japanese Crab Imports - Live & Fresh Chilled

Commodity: HS 0306.24: Live & Fresh Chilled Crabs					
Period: 1997-1999					
Volume: Metric Ton					
Country of Origin	1997	1998	%Chg	1999	%Chg
United States	169	339	100.2%	193	-43.1%
Canada	4	9	115.7%	16	80.4%
China	1,510	1,012	-32.9%	819	-19.1%
Russian Fed.	40,167	41,203	2.6%	42,263	2.6%
Others	3,125	3,753	20.1%	4,704	25.3%
Live & Fresh Chilled Total	44,975	46,316	3.0%	47,995	3.6%
Commodity: HS 0306.24: Live & Fresh Chilled Crabs					
Volume Shares: Percent					
Country of Origin	1997	1998		1999	
United States	0%	1%		0%	
Canada	0%	0%		0%	
China	3%	2%		2%	
Russian Fed.	89%	89%		88%	
Others	7%	8%		10%	
Live & Fresh Chilled Total	100%	100%		100%	